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July 11, 1975

DIRECTOR OF CENTRAL INTELLIGENCE PERSPECTIVES FOR
NATIONAL INTELLIGENCE 1976-1981

Introduction

1. Perspectives for Intelligence, looking five years into the future, are issued annually by the Director of Central Intelligence to provide general guidance for all elements of the Intelligence Community. In particular, these statements of perspectives are designed to stimulate early action and planning on programs requiring long developmental lead times prior to their execution -- such as complex technical systems, language training, the augmentation of skills, etc. These Perspectives for 1976-1981 are intended to influence Fiscal Year 1976 decisions whose effects will be felt or results fully manifest only after several years. Near term guidance for Fiscal Year 76 is provided in the Objectives the Director has submitted to the President, which included both Substantive Objectives (further articulated in the Key Intelligence Questions) and Resource Management Objectives. The Director's Annual Report to the President on the work of the Intelligence Community will include comments on steps taken during FY 76 to meet future requirements as outlined in these Perspectives.

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2. The Perspectives open with a general overview of the international political, economic and security environment anticipated during the coming five years (Part I). This is followed by a broad statement of the needs the Intelligence Community will be expected to meet during that period (Part II). Finally, more specific guidance is given with respect to activities which should be initiated, or on which planning should commence, in order to meet those needs (Part III).

3. The Perspectives focus on major national intelligence problems. They recognize three important additional categories of problems, but this recognition is sometimes implicit and these requirements are not extensively addressed:

- a. Continuing national responsibilities of a lower priority which must somehow be satisfied with limited resources;
- b. The requirements of civilian and military components of the United States Government for departmental or tactical intelligence support, requirements which also necessitate continuing attention and resources;

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c. Unanticipated situations or crises capable of posing major political, economic or security problems for the United States. Since it may not be possible to meet the demands of such unanticipated problems by a reallocation of resources from less urgent activities, some reserve capability must be included in our planning to give the Intelligence Community the flexibility necessary to cope with the problems of an unpredictable world.

- 3 -

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Part I - Major World Problems

1. General. The balance between the US and USSR in the tangible elements of national power, while continuing to be marked by offsetting asymmetries, is unlikely to change fundamentally. Perceptions of the less tangible aspects of the balance of power -- national attitudes, will, the momentum and direction of international events -- may change importantly in either Moscow or Washington or elsewhere. In a situation of rough equality in intercontinental nuclear forces between the US and USSR, other national assets will gain importance as elements of the "strategic" balance of power.

2. While the Soviet-American relationship will still be the most important single factor, it will become less central in world affairs. Power will continue to diffuse, and issues not susceptible to conventional methods of diplomacy or force will grow in importance. The spread of nuclear weapons and the growing demand for raw materials are two processes that will make coercive power available to additional states. These trends, plus a perception of continuing abatement in traditional security concerns, will work upon the cohesion

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of postwar alliances, which in turn will influence the politically useful power of the US and the USSR. The United States therefore will be faced not only with a persistent threat to its interests from the USSR but also turbulence and challenge in its relations with other nations.

3. The USSR. The United States and the Soviet Union will remain principal adversaries during the next five years. Their relationship will probably continue to be marked by an absence of armed conflict and at least public adherence, by both governments, to the concept of "detente." Disagreements between the two powers will continue to abound, however, in the application of this concept to specific problems, and it is not impossible that these disagreements will cumulate to a point where the concept itself loses political support in one of the two states.

The Soviet leaders seem convinced that in the overall "correlation of forces," world events are moving over the long run in favor of the USSR. They will attempt to further this movement through a variety of

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political, economic, and subversive activities, backed with growing military capabilities and concentrated on the regions around the Soviet periphery. In doing so, the Soviets will be cautious, trying to avoid confrontation with the US and foreign policies so assertive as to jeopardize what the Soviets see as favorable trends in US-USSR relations and world affairs generally. The USSR will seek to keep "detente" as the leading feature of its foreign policy with the US and Western Europe for at least the next five years, but largely for pragmatic reasons -- i.e., because they think it offers them more advantages than any other alternative

- For controlling local crises which could lead to general war;
- For minimizing China's chances of developing anti-Soviet combinations with other major powers;
- For obtaining Western economic and technological assistance; and
- For promoting the disintegration of opposing power blocs.

The Soviets will have to deal, however, with a number of dilemmas as they attempt to square their long-standing preoccupation with military strength with the

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minimal requirements of a detente posture. In the field of strategic offensive forces, the modernization programs now underway will give the Soviets larger numbers of more accurate missile warheads, improved missile survivability and greater operational flexibility. In their strategic offensive and defensive programs, research and development is aimed at unique applications of existing technologies and applications of advanced technology based on theoretical or technological breakthroughs. At the same time, the Soviets will continue to modernize their ground, naval, and air forces for theater warfare along the periphery of the USSR and for distant limited operations. These programs will strain the credibility of Soviet professions of peaceful intent, creating a dilemma that the leadership will seek to handle through arms control negotiations, in which Moscow will be a hard bargainer.

In its economic policy, Moscow will continue to give high priority to the kinds of growth which increase national power and facilitate its projection abroad. Domestically, however, pressures will grow for modernizing reforms of the Soviet economic system, particularly its administrative structure. As has been the case elsewhere in Eastern Europe (e.g., Czechoslovakia), reforms

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which seek the managerial benefits of some type of demand system could have implications for liberalizing other areas of Soviet life, and will accordingly be highly controversial. Prolonged detente could threaten to erode the pervasive authority of the Communist Party over the Soviet populace. But these are long-standing and chronic problems, and over the next five years the regime is quite capable of resisting unwanted changes in the essentials of the Soviet domestic system.

A key intelligence focus over the next five years will be the Soviet leadership succession, as Brezhnev and the other aging seniors leave the political scene and their replacements consolidate power. Both the new leadership's policy modifications and the relative smoothness or turmoil of the succession process will have implications for bilateral relations with the US and the Soviet stance abroad generally, as well as for domestic Soviet priorities and the evolutionary Party management of the country. While the odds heavily favor continuity, Soviet politics are so centralized -- and so secretive -- that significant change under a new leadership cannot be wholly excluded.

4. The People's Republic of China. Almost certainly, China will undergo a change in leadership. The succession could see an initial collegial unity followed

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by an aggressive, xenophobic leader. Alternatively, the initial period could be followed by the emergence of openly contesting military, Party, and provincial elements. For planning purposes, however, it would seem most appropriate to assume that the follow-on leadership in China will maintain the unity and authoritarian discipline imposed by the Communist Party, that it will be primarily concerned with internal unity in meeting the social and economic problems within China, and that it will retain a somewhat paranoid attitude toward the outside world and particular suspicion of countries on its periphery.

China will continue gradually to develop its strategic forces and will present an increasingly serious retaliatory threat to the Soviet Union. By 1980, it will have the capability of threatening the United States with a demonstration (or desperation) strike by a small number of ICBMs and SLBMs. China will maintain large general purpose forces capable of operations on its periphery, and the gap between Chinese military might and that of its neighbors (other than the USSR) will probably widen. China will be unlikely to commit its forces, however, in the absence of major provocation or concern, but given China's sensitivity regarding its Southern Marches, ambitious North Vietnamese behavior

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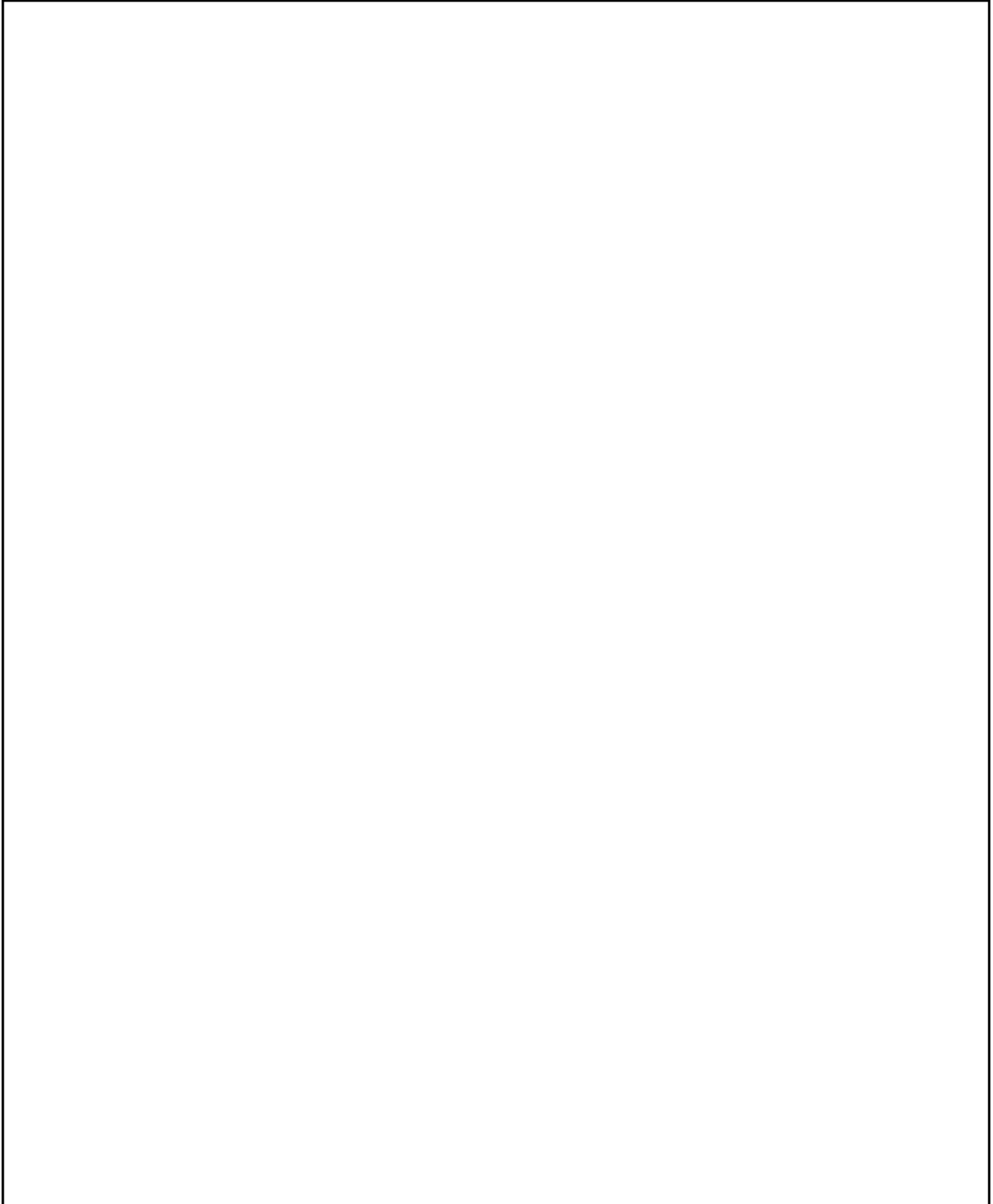
or Taiwan's procurement of nuclear weapons over the next five years could generate what the Chinese might regard as sufficient provocation, particularly if either party appeared to be becoming a Soviet ally.

Internally, China will continue its authoritarian economic programs, which are likely to keep agriculture abreast of population, to enable industry to expand capacity and output, and to support an increasingly modern defense establishment. Internationally, China will endeavor to become the ideological leader of the Third World. It will participate in aid programs and similar political gestures with other Third World powers and will increase its influence but will not succeed in establishing substantial authority over Third World countries.

The chances of major change in the Sino-Soviet relationship during the next five years are small. Nevertheless, the consequences of the present hostility have been so important to Asia and to the US that even a moderate improvement would alter the foreign policy calculations in numerous capitals; obviously, outright military conflict would be a critical world event. Changes in either direction will almost certainly await the advent of new men, but this is likely to occur within both countries during this period, and it will be important to collect information and reach judgments promptly on the proclivities of the new leaderships.

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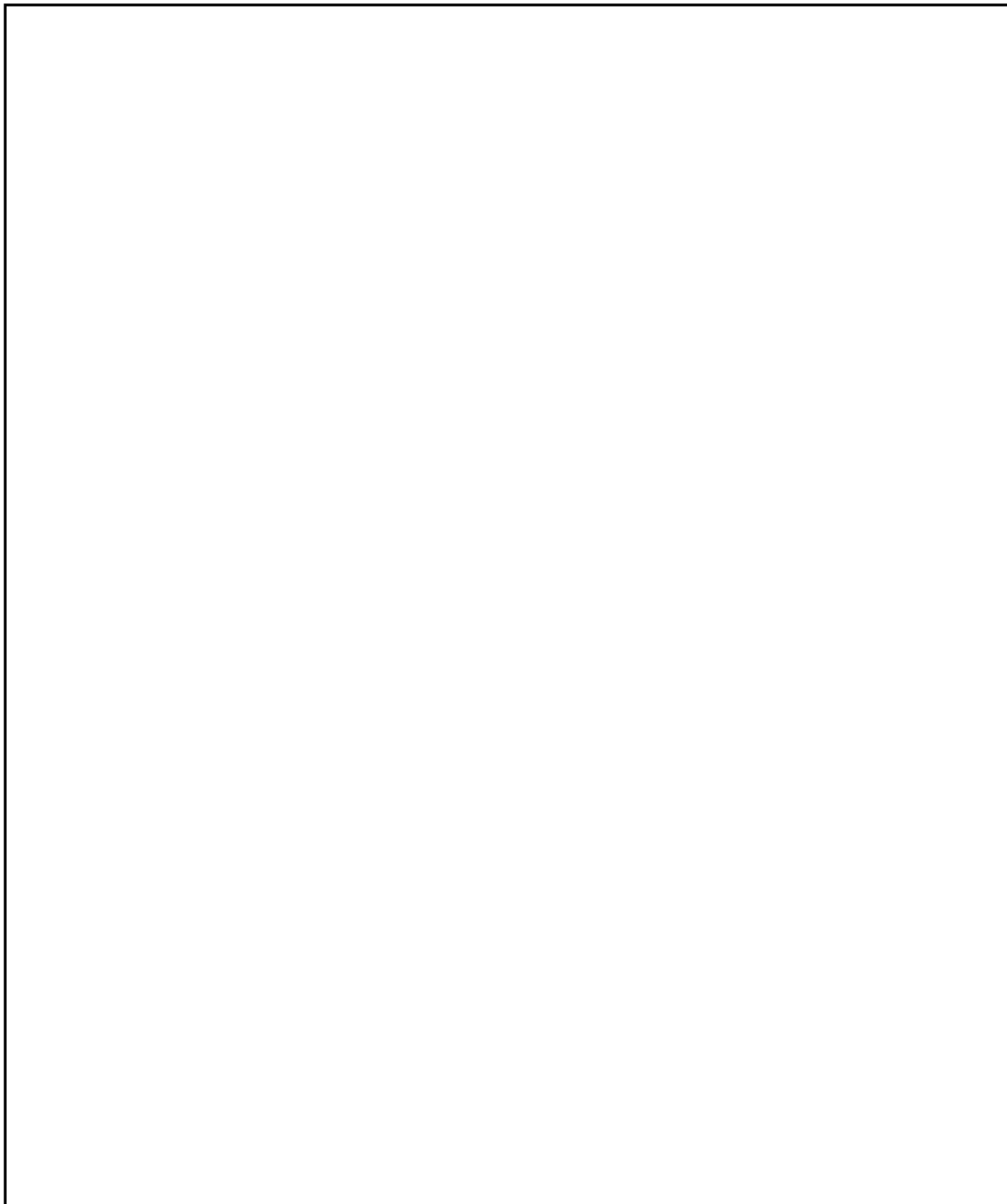


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6. Eastern Europe. While Eastern Europe will continue to be under Soviet control, economic uncertainties

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and recurrent pressures for some loosening of ties with Moscow will complicate the picture. Poor in natural resources, the region is faced with a slowdown in economic growth rates which could have repercussions at the political level. The five-year period could see an explosion within some East European country against Soviet dominance, but Moscow would quickly reestablish its hegemony, by force if necessary, whatever the price in terms of other policies. Less spectacularly, individual regimes may find themselves able gradually to expand some areas of autonomy while adhering to Soviet guidance in foreign policy and security matters. The passing of Tito could open a period of difficulty and contest over the succession and over the external orientation of Yugoslavia, a period that could be risky should the Soviets try to intervene to prevent a westward drift, or pull the country eastward.

7. The Middle East. This region seems bound to continue to be both volatile and dangerous. Even if significant progress is made over the next five years in resolving the Arab-Israeli conflict, considerable distrust will persist, providing a favorable atmosphere for those Arab elements rejecting a final settlement. A breakdown

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in the negotiation process, of course, is likely to lead to another round of war. As a further source of instability, the policies of important states are strongly dependent on individual leaders -- such as Sadat, the Shah, Hussein, and Asad -- whose departure could lead to major shifts in national behavior.

The US interests which are threatened by these possibilities are not likely to decline substantially over the period. Arab oil may become relatively less important to the US economy, but it will remain vital to our major partners. Meanwhile, the accumulation of oil revenues will magnify the potential for international monetary distortions. While there are important trends which favor an increase in US influence in the region, these trends will remain subject to sudden reversal.

8. Japan. Japan will continue to play a major role in international economic affairs generally, expanding its contacts and relations with other countries, including the USSR and China. Although Japan has a high degree of internal stability, it is feeling the social stresses of intense development and rapid economic growth (e.g., population congestion, pollution, etc.). Also, Japan is among the advanced powers peculiarly dependent on imported raw materials and energy sources, and hence is both vulnerable and sensitive to changes in price or

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availability. Over the next five years, Japan will probably continue to strive to maintain cooperative relations with the United States, but on issues it considers vital to its well-being, it will be progressively less amenable to American influence. Furthermore, now latent economic stresses could sour US-Japanese relations, especially if Tokyo should come to perceive what it regarded as a reduced US interest in Japan's security.

9. New Powers and Blocs. OPEC's disruption of the Free World's energy situation is likely to inspire further attempts at cooperative efforts by small nations to control other important raw materials, such as bauxite and phosphates. As this process develops, these nations may seek to use their economic power for political purposes. Brazil Venezuela, Nigeria, and Zaire are becoming important regional powers and are playing more substantial roles on world international forums. Aside from these, several nations whose ties to the US have traditionally been close will display greater independence. This will be particularly prevalent in the economic field but may also affect certain US strategic interests. Examples of such powers are Canada, Mexico, Panama, Australia, and Thailand.

10. The Third World will present other major problems to US policymakers. The nature and severity of these

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problems will hinge in part on foreign, especially Third World, perceptions of America's ability -- and willingness -- to succor its friends, to protect its interests and those of its allies, and, generally, to play an active role in areas beyond its borders. The fact and even more the manner of Communist successes in Indochina have prompted at least a reconsideration of America's constancy, reliability as an ally, or potency as an adversary. How lasting an impact these reconsiderations will have on foreign perceptions of the US will depend in no small measure on what happens in Southeast Asia and -- even more -- in Korea over the next year or two. These factors add an additional dimension of complexity to already complicated, potentially dangerous situations which have the potential for generating great power conflict involving the US in a confrontation with the Soviet Union. Of these, the Arab-Israeli conflict is the most obvious, but serious stresses could also develop in the Persian Gulf or in the Indian subcontinent. Other regional disputes -- between China and Taiwan, Greece and Turkey, and blacks and whites in southern Africa -- could also rekindle and threaten the tenuous equilibrium between the great powers. The newly rich powers will rapidly expand their military capabilities; some will develop nuclear armaments, however primitive. (Israel already has a nuclear capability;

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India, South Africa, Brazil, Taiwan, and South Korea could develop one over the next decade, as could other nations such as oil-rich Iran.) Some Third World nations will seek outlets for their frustrations in assaults on their economic relationships with great powers and attempts to dominate a variety of international forums. A few may resort to blackmail through terrorism -- of a conventional or nuclear variety.

11. Social change will cause turbulence and possibly create power vacuums in a number of areas. These will stem from increased expectations and a perception of the growing economic gap between less developed countries (and classes within countries) and the developed world. Areas particularly susceptible to this process will be the Persian Gulf, certain other Arab states such as Morocco, India, possibly Indonesia, the Philippines, and, in Latin America, Argentina, Peru, Colombia, and possibly even Brazil. Internally this turbulence may be temporarily stilled by some authoritarian governments, particularly those benefiting from increased oil revenues, but these will have difficulties in maintaining themselves over the longer term. Such turbulence will also exist within advanced nations, as economic, racial, ideological,

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or regional minorities turn to violence and terrorism to press their claims against more and more delicately tuned and interdependent societies.

12. The acceleration of events will be characteristic of the years ahead. This will come from improved communication and transportation, sharply reducing the time available to reflect on, negotiate, and resolve international problems. It will also raise many local events to international prominence and inflate national or political pride, posing further handicaps to successful negotiations. There will be a resulting tendency towards breakdowns of overloaded institutions, shorter attention spans for individual situations, and a need for simultaneous perception and management of a multiplicity of international relationships. Such change will occur most conspicuously in the fields of science and technology, but the pace there will have substantial effects on the pace of sociological, industrial, and institutional change, with resultant political and economic impacts. Identification and accurate assessments of such changes and their effects will be needed on an increasingly rapid basis.

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Part II - The Role of Intelligence

1. General. Intelligence will have to give priority to assessments of an increasing range of problems capable of affecting major US interests and, hence, requiring US decisions. While intelligence on strategic nuclear developments and strategic warning of military attack will continue to receive highest priority, the need will be greater in the next few years for assessments which anticipate and alert decision makers to other kinds of policy problems. In an era of improved communications and transportation, of a contraction of US forward deployments of forces, and of acceleration in events leading to crises, the demands will be greater for intelligence which is timely, complete and relevant to policy implications. Meeting those demands will be essential for the use of diplomacy, negotiation, and other benign initiatives to head off military confrontations or international instabilities. A greater intelligence effort will be required (1) to winnow the important out of large volumes of raw information, and put it in manageable form; (2) to devise techniques for rapidly and accurately communicating to consumers the essential elements of foreign situations and the reliability of these assessments; (3) to identify major policy and

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negotiating issues; and (4) to assess other nations' intentions and likely courses of action as well as their capabilities. Meeting this requirement will require more interdisciplinary analysis which melds economic, technological, sociological, and cultural factors with political and military data into some unified view of situations which concern the highest levels of the US Government.

2. The USSR. The USSR will remain our major intelligence target. Intelligence will be expected to provide precise data on Soviet military capabilities, economic activity, and efforts to acquire advanced scientific and technological skills to improve military and economic capabilities. It will be expected also to supply reliable assessments of Soviet political dynamics and intentions. While a small percentage of data for these assessments will become available through open exchange and access, the Soviets will try to keep much more of this information secret, and extraordinary efforts will be required to obtain and understand it. One specific priority task will be accurate and demonstrable monitoring of arms limitation agreements made with the Soviet Union. In the military field otherwise, special attention will be focused on Soviet research and development applicable to weapons

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and supporting systems which could substantially affect the balance of power. These will include antisubmarine warfare, ballistic missiles, satellites, and advanced-technology systems. The greater political utility of non-nuclear forces and perhaps an increasing disposition for their use, at least by some of the Soviet client states, will mean a greater burden on intelligence to maintain a current baseline of information on such forces. It will also mean maintaining capabilities for tactical intelligence coverage of potential crisis areas and for rapid crisis augmentation of such coverage.

Intelligence will need to keep a running estimate of Soviet calculations of their overall foreign policy balance sheet, and to anticipate shifts in area or tonal emphasis as well as in the general line. Particularly important elements in this larger estimate will be Soviet-US, Sino-Soviet and Sino-Soviet-US relationships, followed by Soviet leverage and intentions in Western Europe and the Middle East. Anticipating the relative smoothness or turmoil of phases of Soviet succession politics, and the implications of this and any new leadership policy consensus will be an important intelligence task, as will the identification of significant reform tendencies or trouble areas in the Soviet economy, and the relative pace and content of any change in Soviet notions of political orthodoxy.

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3. China. China will continue to be an important intelligence target. The closed nature of Chinese society will make it difficult to assess any turmoil within the country or threats China might pose abroad. The latter will become particularly important as Chinese strategic power grows and comes to include capabilities against the United States itself. It will also apply to Chinese political activities and intentions in view of China's influence in the Far East and ties with and aspirations in the Third World.

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5. Eastern Europe. Eastern Europe will be a constant collection and assessment target, in order to assess stability in an area where breakdowns in internal order or major divergences from Moscow could have profound political repercussions. An increasing need to tailor US policy to the specifics of each East European country will call for improved intelligence. During the five-year period, the most important intelligence target will probably be Yugoslavia, the only country in which a shift in international alignment is a genuine possibility.

6. Economics. Economic intelligence will increase in importance worldwide. This will include economic situations in nations having a major impact on the world economy and on relationships with the United States, such as the Arab oil states, major economic powers such as Japan, major suppliers of food and raw materials, and nations where internal economic chaos can create major world problems out of sympathy or resonance (e.g., India). Economic intelligence of value to US policymakers is necessarily international in scope, including such topics as the activities of multinational corporations, international

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development programs, regional economic arrangements, and the working of international commodity markets. In some cases, nations with close political and military bonds to the United States may become important economic intelligence targets, e.g., Western Europe, Canada, and Japan, raising complicated problems for intelligence coverage. Defining the role of the intelligence community in meeting the needs of government for economic information, determining requirements and consumers, and developing improved means of collection and analysis will be the most difficult and possibly the most important tasks faced by intelligence during the next five years.

7. Other Priorities. Intelligence will increasingly be expected to warn of and explain new situations posing problems to American interests. For an example, intelligence will be expected to identify the causes of social change, turbulence, and political terrorism in Third World countries, so the component elements of these problems can be isolated, negotiated about, or countered with appropriate mechanisms. This may require intensified efforts on our part to understand and communicate the differences between societies, cultures, and nation personalities. Intelligence will be called upon more often to assess the threat of terrorists against US installations

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and officials as well as private enterprises and citizens abroad and, beyond that, the risk that some terrorists may acquire nuclear weapons.

8. A few of the major problems which will be the subject either of dispute or negotiation, or sometimes both, and consequently will be priority intelligence requirements, can be:

- (a) Developments in critical regional confrontations:
 - (1) Arab/Israeli
 - (2) North Korea/South Korea
- (b) Indications of a resurgence of other confrontations:
 - (1) Pakistan/India
 - (2) Greece/Turkey
 - (3) China/Taiwan
 - (4) Black Africans/White Africans
 - (5) China/USSR
- (c) Rates of production, consumption, and pricing of raw materials and energy sources and international commodity arrangements;
- (d) Price and non-price restrictions on international trade, including transportation and communication services;

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- (e) The international payments mechanism and the coordination of national fiscal-monetary policies;
- (f) National policies with respect to military sales, receipt of foreign military and economic assistance, and foreign business activity and investment, including policies toward multi-national corporations;
- (g) Arms limitation, nuclear proliferation, and crisis avoidance;
- (h) Jurisdiction, exploitation, and relationships in the oceans and on sea beds.

9. As the demands on intelligence increase over the next five years, trends in public attitudes within the United States will probably make these demands increasingly difficult to meet. Much of the information intelligence analysts will need to discharge their responsibilities will have to be collected by techniques and sources -- some simple, some awesomely sophisticated -- easily jeopardized by public disclosure which compromises them and facilitates the development of counter-measures to frustrate them. Ways must be found to ensure the minimal degree of secrecy without which intelligence cannot function in the present and future climate of Congressional, media, and public opinion.

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Page 52

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